# STATE OF ILLINOIS ILLINOIS COMMERCE COMMISSION

ILLINOIS BELL TELEPHONE COMPANY (AMERITECH) and TDS METROCOM (TDS METROCOM)	)
Joint Petition for Approval of Second Amendment to Interconnection Agreement, dated December 10, 2002 pursuant to 47 U.S.C. §§ 252(a)(1) and 252(e)	) 03-0018 ) ) )

# **VERIFIED STATEMENT OF A. OLUSANJO OMONIYI**

My name is A. Olusanjo Omoniyi and I am employed by the Illinois Commerce Commission as a Policy Analyst in the Telecommunications Division. I graduated from Southern Illinois University at Carbondale with a Bachelor of Arts degree in Cinema & Photography and Bachelor of Science degree in Radio-Television in 1987. In 1990, I obtained a Master of Arts degree in Telecommunications and a Juris Doctor in 1994 also from Southern Illinois University at Carbondale. Among my duties as a Policy Analyst is to review negotiated agreements and provide a recommendation as to their approval.

#### SYNOPSIS OF THE AGREEMENT

The instant agreement between ILLINOIS BELL TELEPHONE COMPANY

("AMERITECH" or "Carrier") and TDS METROCOM'S (TDS METROCOM or

"Requesting Carrier") is the Second Amendment between the parties adding Appendix

Illinois Recourse Credits and modifying the Table of Contents to the underlying

Agreement. The Recourse Credits mean those credits that AMERITECH is required to provide to TDS METROCOM pursuant to 83 Illinois Administrative Code Section

732.35, to reimburse TDS METROCOM for those Customer Credits paid by TDS METROCOM in the event that TDS METROCOM's violation of a Local Exchange Service Obligation is caused by AMERITECH. Furthermore, this Agreement states that if any provision in the underlying Agreement conflicts with this Second Amendment, the language of this Second Amendment shall control. Also, the parties agreed that the underlying Agreement 's terms, conditions and termination provisions will not be affected by this Second Amendment but shall be coterminous.

The underlying Agreement establishes key provisions regarding the financial and operational terms including, but not limited to, the physical interconnection between AMERITECH and TDS METROCOM'S networks on access to rights of way and databases; unbundled access to AMERITECH's network elements, including AMERITECH operations support systems functions; collocation; number portability; resale; and a variety of other business relationships.

The purpose of my verified statement is to examine the agreement based on the standards enunciated in section 252(e)(2)(A) of the 1996 Act. Specifically, this section states that:

- The State commission may only reject an agreement (or any portion thereof) adopted by negotiation under subsection (a) if it finds that:
- (i) the agreement (or portion thereof) discriminates against a telecommunications carrier not a party to the agreement; or
- (ii) the implementation of such agreement or portion is not consistent with the public interest, convenience, and necessity.

Also, under authority granted the Commission by Section 252(e)(3) of the 1996

Telecom Act, this agreement has been reviewed for consistency with the requirements of the Illinois PUA and regulations, rules and orders adopted pursuant thereof.

# I APPROVAL UNDER SECTION 252(e)

#### A. DISCRIMINATION

The first issue that must be addressed by the Commission in approving or rejecting a negotiated agreement under Section 252(e)(2)(A) is whether it discriminates against a telecommunications carrier that is not a party to the agreement.

Discrimination is generally defined as giving preferential treatment. In previous dockets, Staff has taken the position that in order to determine if a negotiated agreement is discriminatory, the Commission should determine if all similarly situated carriers are allowed to purchase the service under the same terms and conditions as provided in the agreement. I recommend that the Commission use the same approach when evaluating this negotiated agreement.

A carrier should be deemed to be similarly situated to TDS Metrocom for purposes of this agreement if telecommunications traffic is exchanged between such a carrier and AMERITECH for termination on each other's networks and if such a carrier imposes costs on AMERITECH that are no higher than the costs imposed by TDS METROCOM. If a similarly situated carrier is allowed to purchase the service(s) under the same terms and conditions as provided in this contract, then this contract should not be considered discriminatory. Evaluating the term discrimination in this manner is consistent with the economic theory of discrimination. Economic theory defines discrimination as the practice of charging different prices (or the same prices) for various units of a single product when the price differences (or same prices) are not justified by cost. See, Dolan, Edwin G. and David E. Lindsey, Microeconomics, 6<sup>th</sup> Edition, The Dryden Press, Orlando, FL (1991) at p. 586. Since Section 252(i) of the

1996 Act allows similarly situated carriers to enter into essentially the same contract, this agreement should not be deemed discriminatory.

#### B. PUBLIC INTEREST

The second issue that needs to be addressed by the Commission in approving or rejecting a negotiated agreement under Section 252(e)(2)(A) is whether it is contrary to the public interest, convenience, and necessity. I recommend that the Commission examine the agreement on the basis of economic efficiency, equity, past Commission orders, and state and federal law to determine if the agreement is consistent with the public interest.

In previous dockets, Staff took the position that negotiated agreements should be considered economically efficient if the services are priced at or above their Long Run Service Incremental Costs ("LRSICs"). Requiring that a service be priced at or above its LRSIC ensures that the service is not being subsidized and complies with the Commission's pricing policy. All of the services in this agreement are priced at or above their respective LRSICs. Therefore, this agreement should not be considered economically inefficient.

Nothing in this agreement leads me to the conclusion that the agreement is inequitable, inconsistent with past Commission Orders, or in violation of state or federal law. Therefore, I recommend that the Commission approve this agreement.

### II IMPLEMENTATION

In order to implement the AMERITECH -TDS METROCOM agreement, the Commission should require AMERITECH to, within five (5) days from the date the agreement is approved, modify its tariffs to reference the negotiated agreement for each service. Such a requirement is consistent with the Commission's Orders in previous negotiated agreement dockets and allows interested parties access to the agreement. The following sections of AMERITECH tariffs should reference the AMERITECH -TDS METROCOM Agreement: Agreements with Telecommunications Carriers (ICC No. 21 Section 19.15).

Also, in order to assure that the implementation of the Agreement is in public interest, AMERITECH should implement the Agreement by filing a verified statement with the Chief Clerk of the Commission, within five (5) days of approval by the Commission, that the approved Agreement is the same as the Agreement filed in this docket with the verified petition; the Chief Clerk should place the Agreement on the Commission's web site under Interconnection Agreements.

For the reasons enumerated above, I recommend that the Commission approve this agreement pursuant to Section 252(e) of the Telecommunications Act of 1996.

VERIFICATION

STATE OF ILLINOIS ; SS COUNTY OF SANGAMON ;

I. A. Olusanjo Omoniyi, do on outh depose and state that if called as a witness herein, I would testify to the facts contained in the foregoing document based upon personal knowledge.

SIGNED AND SWORN TO BEFORE ME THIS

DAY OF

NOTARY PURLIC

OFFICIAL SEAL
FRANCES J ADCOCK
MOTARY PUBLIC, STATE OF SLINGS
MY COMMISSION EXPRESSOR